Memex Inc. Releases Q1-2017 Financial Results

Strong Cash Position to Weather Temporary Market Disturbance

Burlington, ON, Canada – February 17, 2017 – Memex Inc. ("Memex" or the "Company") (TSX-V: OEE) a global leader in Industrial Internet of Things (IIoT) manufacturing productivity software, today released its first quarter financial and operational highlights for its 2017 fiscal year, which ended December 31, 2016. All results are reported in Canadian dollars.

Summary Financial Highlights for the First Quarter Ended December 31, 2016:

- Memex reported revenue of $505 thousand, 18% lower than the same quarter a year ago;
- Gross margin of 56.7% was down from 61.1% reported the same period a year ago;
- Bookings[i] for the quarter were $393 thousand, down 55% from the same period a year ago;
- The Company reported a net and comprehensive loss of $763 thousand for the quarter, equating to a $0.007 loss per share. This compares with a $641 thousand net and comprehensive loss last year, and a similar $0.007 loss per share; and
- At December 31, 2016, the Company had $3.79 million in current assets including $3.05 million in cash and $3.00 million in working capital. Subsequent to year-end, Memex added $171 thousand to its cash reserves through 881 thousand exercised/redeemed Shares/Warrants.

Management Commentary:

"During the first quarter, Memex saw numerous pipeline opportunities and several customers delay investment leading into the U.S. election," said David McPhail, President and CEO of Memex. "As a result, we onboarded fewer prospects than anticipated, but we emphasize that our discussions continue as certainty forms around the administration's manufacturing and trade policies. Memex's cash position remains strong, easily allowing us to weather this temporary market disturbance."

Q1 2017 and Subsequent Operational Highlights:

- The Company closed 13 follow-on orders to expand existing Customer use of MERLIN, and engaged 5 new Customers in the first quarter of 2017.
- The Company raised another $558 thousand through the issue of Common Shares (Option exercise/Warrant redemptions).
- Based on its recent analysis of the global machine monitoring systems market, Frost & Sullivan recognized Memex Inc. with the 2016 Global Frost & Sullivan Award for Product Leadership.
- MERLIN Tempus, the Company's next generation IIOT platform is nearing First Customer Ship (FCS) Status (appox. 4 weeks).

Selected Financial Information

(Canadian dollars – in thousands except per share and margin%)	Three-month period ended December 31 2016	2015	Change
Revenue	505	614	- 18%
Bookings[i]	393	874	- 55%
Gross margin %	56.7	61.1	- 7%
Operating expenses	1,073	1,046	+ 3%
Cash utilized in operating activities[1]	733	644	+ 14%
Net and comprehensive loss for the period	(763)	(641)	+ 19%
Basic and diluted loss per share - period	(0.007)	(0.007)	- 0%

1. Before changes in non-cash working capital balances.

As at September 30 (Canadian dollars – in thousands except WC ratio)	December 31, 2016	September 30, 2016
Cash on hand	3,049	2,899
Current assets	3,793	4,156
Total assets	4,260	4,639
Current liabilities	794	1,047
Working capital*	2,999	3,109
Working capital ratio**	4.78 to 1	3.97 to 1
Backlog[i]	786	665

* Working Capital = current assets – current liabilities
** Working Capital ratio = current assets / current liabilities

About Memex Inc.

Memex, the developer of MERLIN, an award winning IIoT technology platform that delivers tangible increases in manufacturing productivity in Real-Time, is the global leader in machine to machine connectivity solutions. Committed to its mission of, "Successfully transforming factories of today into factories of the future", and encouraged by the accelerating adoption and success of MERLIN, Memex is relentlessly pursuing the development of increasingly innovative solutions suitable in the IIoT era. Memex envisions converting every machine into a node on the corporate networks, thereby, creating visibility from shop-floor-to-top-floor. Memex, with its deep commitment towards machine connectivity, offers solutions that are focused on finding hidden capacity by measuring and managing Real-Time data. This empowers Memex's customers to effectively quantify and manage OEE, reduce costs, and incorporate strategies for continuous lean improvement.

For more information, please visit: www.MemexOEE.com

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[i] This non-IFRS financial measure is identified, defined and reconciled to the closest IFRS measure, revenue, within our Management’s Discussion and Analysis for the years ended September 30, 2016 and 2015, in the section “Other Financial Measures.” That MD&A is available at www.sedar.com under our company profile.